

OSA - 4075-66.

CY 1 OF 2

Post Office Box 490
Greenville, Texas12 October 1966
In Reply Refer To:
8432-60320C-63REGISTERED

*Included
In Am. #6*

*copy to A.T
10/20/66*

SUBJECT : Project "Clean Sweep", Phase III Flight
Test Objectives and Price Proposal

TO : (b)(3)

ATTENTION : Contracting Officer

REFERENCE : (a) Contract N0w66-0454
File Reference No. 1967

ENCLOSURE : (1) Flight Test Objectives - Engineering Report
Number 8432.01.03 dated 21 September 1966

(2) Installation Test Procedures - Engineering
Report Number G-8432.17.01 dated 8 September 1966

(3) Detailed Price Breakdown

This Contractor is pleased to submit, as enclosures hereto, its formal Engineering Report and cost-plus-fixed fee proposal covering the Phase III flight test program. This proposal is presented in accordance with the requirements of Reference (a) contract.

The Engineering Report, submitted as Enclosure (1), contains a detailed summary of the Phase III flight test objectives which will form the basis for the formal flight test plan. The objectives set forth in the referenced document are outlined for the lowest level of system integration deemed possible, and progress with each succeeding integration level and/or equipment combination. This approach will provide for maximum flexibility in both preparation and implementation of the test plan.

Installation test procedures are submitted by Enclosure (2), which define the sequence of operations to be accomplished during installation and checkout of the various systems and/or subsystems.

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In evaluation of the work scope and preparation of the price proposal submitted as Enclosure (3), this Contractor has given due consideration to the program schedule and the following proposed ground rules are submitted:

This will be a cooperative program, with both LTV Electrosystems and the U. S. Navy participating. LTV Electrosystems will provide the Flight Test Director and navigator/operator for all mission flights. The U. S. Navy shall furnish the pilot, co-pilot and remaining crew members. Further, the Navy ground crew will have maintenance responsibility for the basic aircraft and engines. LTV Electrosystems will have responsibility for installation and checkout of mission equipments during flight tests staged from its Greenville facility. Vendor technical representatives will be provided by LTV Electrosystems to service the navigation and Loran systems as required. It is assumed that the Sponsor will provide such technical services for Government Furnished Equipment items. Maintenance support of the Navy ground crew, Government Furnished Equipments and LTV Electrosystems' fabricated boxes is excluded from this proposal. Such services shall be the subject of separate negotiations on an "as required" basis. ??

For purposes of the quotation, it is estimated that 60 test flights will be required, with approximately 40 flights staged from LTV Electrosystems, Greenville, Texas, and 20 flights staged from off-site bases. It is understood that all I.R. film required for the test program will be supplied as Government Furnished Equipment, and that aircraft security coverage will be provided by the Navy during all off-site operations. LTV Electrosystems will provide the services necessary for the processing and reduction of all flight data. Maintenance support, exclusive of vendor technical representatives, of the basic aircraft and its systems during off-site operations is excluded from this proposal. Such services shall be the subject of separate negotiations pending definition of requirements and base of operations.

It is assumed that "Rent Free Usage" of Government-owned facilities and equipment will be authorized under the provisions of Facilities Management Contract AF 33(657)-15604.

Period of performance for the Phase III effort is estimated as 3 October 1966 through 30 December 1966. It is requested that an anticipatory cost clause be included in the resultant contract modification to permit cost allowability from the 3 October 1966 start date.

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Due to critical contract completion date and requirement for night, as well as low light level flights, it is deemed mandatory that maximum use of overtime be expended. Engineering will be programmed for a 50-hour work week and production for a 70-hour work week. 2

Labor rates used in this proposal are forecasts for the period represented by the production schedule and are based on plant-wide average rates for the various functional areas. The overhead and General and Administrative factors are forecasts for the schedule period and are based on experience through July, 1966.

You may be assured that this Contractor will continue to utilize its experience and skills in the field of systems integration to the maximum extent to accomplish this unique program with the optimum in schedule and cost economics.

We trust the technical and price data submitted hereby are sufficient for your early evaluation, and will permit an amendment to Reference (a) contract at an early date. This Contractor will be pleased to discuss this proposal at your convenience.



D. L. Hearn
Vice President and General Manager

CFW:lw
encls.

ENCLOSURE (3)

DETAILED PRICE BREAKDOWN

PHASE III EFFORT

PROJECT "CLEAN SWEEP"

Direct Labor

13 weeks
22 men @ 50 hr/wk.

Engineering	14,712 Hours @ \$4.88	\$ 71,795.
Production	14,870 Hours @ \$2.85	42,380.
Program Management	1,440 Hours @ \$4.78 <i>- 2 men</i>	6,883.
Quality Assurance	810 Hours @ \$3.76	3,046.
Security	4,200 Hours @ \$2.66	11,172.
Data Processing	1,246 Hours @ \$4.20	<u>5,233.</u>

Subtotal \$ 140,509.

Overhead

Greenville	@ 78.95%	97,980.
Security	@ 22 %	2,458.
Data Processing	@ 72 %	<u>3,768.</u>

Subtotal \$ 244,715.

Material

15,775.

Material Handling Burden	@ 9.91%	1,563.
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Other Direct Costs

Subcontract Technical Support	\$20,600.- ?	
IBM Machine Rental	10,513.	
Travel	4,657.	
Premium Payments	<u>17,194.</u>	<u>52,964.</u>

Subtotal \$ 315,017.

General and Administrative	@ 13.17%	<u>41,488.</u>
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Total Estimated Cost \$ 356,505.

Fixed Fee	@ 8 %	<u>28,520.</u>
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Total Estimated Cost Plus Fixed Fee \$ 385,025.